

## Message Text

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40

ORIGIN EB-11

INFO OCT-01 ADP-00 STR-08 AGR-20 EUR-25 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 IO-13 /178 R

DRAFTED BY EB/ OT/ STA: WTDIROLL: USDA: WDOERING

APPROVED BY EB/ ITP - JCRENNER

STR: BSTEINBOCK

ORF/ FPD: MBOERNER

EUR/ RPE: AALBRECHT

AGRI: HUDSON

EUR/ RPE: PRIZIK

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R 222230 Z JUN 73

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

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AMEMBASSY ROME

USMISSION GENEVA

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E. O. 11652: N/ A

TAGS: ETRD, EEC

SUBJECT: STATUS OF LEGISLATIVE PROPOSAL FOR PERMANENT  
DAIRY IMPORT QUOTA

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REF: EC BRUSSELS 3318

1. SECTION 205 OF THE AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973 AS APPROVED BY THE SENATE WOULD AMEND SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT BY ESTABLISHING AN OVERALL LIMIT ON DAIRY IMPORTS AT 2 PERCENT OF THE TOTAL CONSUMPTION OF DAIRY PRODUCTS FOR FOOD USE IN THE PRECEDING CALENDAR YEAR. THE PRESIDENT WOULD BE AUTHORIZED TO INCREASE TOTAL PERMISSIBLE IMPORTS BY PROCLAMATION FOR OVERRIDING ECONOMIC OR NATIONAL SECURITY INTERESTS.

2. NO PUBLIC HEARINGS WERE HELD AND THEREFORE ADMINISTRATION HAD NO OPPORTUNITY TO TESTIFY. HOWEVER, ADMINISTRATION OPPOSITION TO THIS MEASURE WAS MADE KNOWN IN A STRONG PUBLIC STATEMENT BEFORE SUBCOMMITTEE ON DAIRY AND POULTRY (SDP) OF HOUSE AGRICULTURE COMMITTEE AT HEARING ON JUNE 7. POINTS MADE BY DEPARTMENT OF AGRICULTURE REPRESENTATIVE INCLUDED POSSIBLE DAMAGE TO UNITED STATES TRADE INTERESTS THROUGH RETALIATION AND ADVERSE EFFECT ON UNITED STATES NEGOTIATING POSITION AT MTNS.

3. AFTER HEARING, SDP DECIDED TO DELETE ENTIRELY THE LANGUAGE IN THE DAIRY PROVISIONS OF THE BILL LIMITING

IMPORTS BUT RETAINED LANGUAGE GIVING PREFERENCE TO DOMESTIC PRODUCERS IN THE ISSUANCE OF IMPORT LICENSES IN IMPLEMENTING ANY ADDITIONAL QUOTAS WHICH MIGHT BE ESTABLISHED IN THE FUTURE. FULL AGRICULTURE COMMITTEE REPORTED OUT ITS FARM BILL JUNE 21 WITHOUT DAIRY IMPORT LIMITATION PROVISION. BILL MAY NOT BE TAKEN UP BEFORE JULY 4 RECESS AND, IF PASSED BY THE HOUSE, LIKELY TO BE FOLLOWED BY JOINT HOUSE- SENATE CONFERENCE.

4. WITH REFERENCE TO THE COMMENT ON THE RELATION OF THE 2 PERCENT PROVISION TO MULTILATERAL TRADE NEGOTIATIONS ON AGRICULTURAL PRODUCTS, MISSION SHOULD DRAW ON FOLLOWING:

(A) THE ADMINISTRATION IS STRONGLY OPPOSING THE PROVISION;

(B) LEGISLATIVE PROPOSALS TO PLACE AN OVERALL LIMIT LIMITED OFFICIAL USE

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ON DAIRY IMPORTS HAVE BEEN REPEATEDLY INTRODUCED IN THE CONGRESS OVER THE PAST SIX YEARS BUT NONE HAVE BEEN ENACTED INTO LAW;

(C) THE INCLUSION OF A PARTICULAR PROVISION IN A BILL AT ONE STAGE OR ANOTHER OF THE LEGISLATIVE PROCESS DOES NOT NECESSARILY MEAN THAT IT WILL BE

ENACTED LAW;

( D) THE UNITED STATES GOVERNMENT ATTACHES GREAT IMPORTANCE TO THE INCLUSION OF AGRICULTURE IN THE MTNS. THE TRADE PROPOSALS NOW UNDER CONSIDERATION BY THE CONGRESS CALL FOR BROAD GENERAL AUTHORITIES WHICH ARE INTENDED TO DEAL WITH THE REDUCTION AND REMOVAL OF BARRIERS TO TRADE IN AGRICULTURAL AS WELL AS INDUSTRIAL PRODUCTS.

5. COPY OF USDA STATEMENT AIRPOUCHED. RUSH

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 22 JUN 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
**Document Number:** 1973STATE122990  
**Document Source:** CORE  
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**Drafter:** WTDIROLL: USDA: WDOERING  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09-Aug-2001 by shawdg>; APPROVED <13-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> srp 980227  
**Subject:** STATUS OF LEGISLATIVE PROPOSAL FOR PERMANENT DAIRY IMPORT QUOTA  
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**To:** BONN  
BRUSSELS  
COPENHAGEN  
DUBLIN  
EC BRUSSELS  
LONDON  
LUXEMBOURG

PARIS  
ROME  
THE HAGUE  
**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005